

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 426 – HB 543

March 2, 2015

SUMMARY OF ORIGINAL BILL: Prohibits a manufacturer of beer to have any direct or indirect financial or ownership interest in a business with a wholesale or retail beer licensee. Authorizes a manufacturer of beer to have a financial interest in a licensed wholesaler's business for up to five years if: (1) a wholesaler is selling its distribution rights of the manufacturer's brand and the manufacturer seeks to assist the transfer by taking a financial interest in the purchasing wholesaler; (2) a wholesaler with distribution rights for the manufacturer's brand(s) is unable to service the designated sales territory; or (3) a distribution agreement between the manufacturer and a wholesaler is not renewed or is otherwise terminated, cancelled, or discontinued.

Establishes that a wholesaler, that has continuously held a valid wholesale distribution permit for at least six months prior to the effective date of this Act, and has held a direct or indirect interest in a brewer of manufacturer during that time, and holds a trademark or marketing rights to a brand or brands of beer, may continue to hold and expand such interest. Requires that all beer purchases by beer retailers from beer wholesalers, and beer wholesalers from beer manufacturers, are delivered to the retailer and wholesaler, respectively.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (003819): Corrects a technical issue without making any substantive changes.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- The proposed legislation, as amended, is not expected to have a significant impact on beer sales and will not result in a significant fiscal impact to the state or local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly distinguishable.

Jeffrey L. Spalding, Executive Director

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